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Energy Department Extends CH2M HILL Hanford Group Contract

Secretary of Energy Bill Richardson announced today the decision to exercise a five-year option for extension of the CH2M HILL Hanford Group (CHG) contract at the Hanford Site in southeastern Washington. The \$2.2 billion contract modification was signed with new, innovative provisions following extensive negotiations with CHG.

“Retrieving and treating high-level waste from the tanks at Hanford represents one of the most pressing environmental challenges facing the Department in the coming decades,” said Secretary Richardson. “This extension of the contract with CH2M HILL helps maintain critical momentum on this project and takes us another step closer to meeting our commitment to the people of the northwest.”

Under the extended contract, CHG will be responsible for:

- Maintaining safe storage of Hanford’s 53 million gallons of high-level radioactive waste;
- Designing and constructing the equipment that will be needed in the future for retrieving and delivering the waste to a new waste treatment plant, and;
- Providing future storage or disposal of tank waste after it has been treated, and preparing for deactivation and decommissioning of facilities.

A unique feature of the contract is an incentive provision challenging CHG to accomplish significant work activities in the project baseline under stable -- rather than increased -- funding assumptions and significantly accelerate work schedules. Funding for these “super stretch” incentives will be obtained primarily from cost savings and work scope efficiencies by CHG during the contract period.

“We’re significantly raising the bar and setting high expectations for CHG’s performance with the terms in this contract,” said Harry Boston, Office of River Protection Manager. “CHG has done an excellent job to date in making tangible and safe cleanup progress. The challenge ahead is now much greater for CHG. The contract focuses on completing all mission-critical work and meeting key cleanup commitments, and provides incentives for CHG to do more work more efficiently and at lower cost over the next six years.”

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